

**Remarks**

Reconsideration of this Application is respectfully requested.

Upon entry of the foregoing amendment, claims 1, 3, and 6 are pending in the application, with claim 1 being the sole independent claim. Claims 2, 4, 5, 7, and non-elected claims 8-14 are sought to be canceled without prejudice to or disclaimer of the subject matter therein. Applicant reserves the right to prosecute similar claims, with respect to the canceled claims, in the future. Claims 15 – 18 are newly presented. The newly presented claims and amendments are believed to introduce no new matter, and their entry is respectfully requested.

The claims presented in this Application should be interpreted solely based on the file history of this Application, not the file history of any predecessor or related application. With respect to this Application, Applicant hereby rescinds any and all disclaimers of claim scope made in any parent application(s), any predecessor application(s), and any related application(s). The Examiner is advised that any previous disclaimer of claim scope, if any, and any references that allegedly caused any previous disclaimer of claim scope, may need to be revisited. Nor should any previous disclaimer of claim scope, if any, in this Application be read back into any predecessor or related application(s).

Based on the above amendment and the following remarks, Applicant respectfully requests that the Examiner reconsider all outstanding objections and rejections and that they be withdrawn.

**CLAIM OBJECTIONS:**

Claim 1 was objected to because of certain informalities noted in the Office Action (page 2).

Such informalities in the claims have been corrected by the foregoing amendment.

**CLAIM REJECTIONS UNDER 35 USC §103:**

Claims 1 - 7 were rejected under 35 USC §103(a) as being unpatentable over US 2004/039678 to Fralic in view of US 2005/0038723 to Nishimaki. For at least two reasons, Applicants submit respectfully that the Examiner has not established a prima facie case of obviousness. First, the cited references do not teach or suggest all the claim limitations. Second, the Examiner has not established a motivation to combine the cited references.

**1. The Cited References do not Teach or Suggest All the Claim Limitations.**

To establish a prima facie case of obviousness under 35 U.S.C. 103(a), the prior art references must teach or suggest all the claim limitations. (*See* MPEP 2143) The Examiner bears the initial burden of establishing a prima facie case of obviousness. *In re Oetiker*, 977 F. 2d 1443, 1445, 24 USPQ 1443, 1444 (Fed. Cir. 1992). It is well settled that “rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336, quoted with approval in *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1741, 82 USPQ2d 1385, 1396 (2007).

According to Title 37 of Code of Federal Regulations,

In rejecting claims for want of novelty or for obviousness, the examiner must cite the best references at his or her command. When a reference is complex or shows or describes inventions other than that claimed by the applicant, the particular part relied on must be designated as nearly as practicable. The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified. 37 CFR 1.104(c)(2) (emphasis added).

In rejecting claim 1, the Examiner alleges that the combination of Fralic and Nishamaki disclose every elements recited in the claim 1. No further explanation is provided discussing the pertinence of the cited reference. (Office Action, p. 3 - 4) By

contrast, the applicant respectfully submits that neither of the cited references teach or suggest the features recited in claim 1.

Fralic discloses of a network connecting a lessor's computer and a lessee's computer, wherein the lessee can enter quantitative and qualitative data regarding a prospective reverse lease auction. Fralic further discloses a scoring system by which the lessee can measure competitive bids of prospective lessors participating in an auction conducted on the internet. (*See* Fralic, col. 2 / line 18-27) During simulation, each of lessor provided data is graded and converted into a weighted score by multiplying the grade by the weight ratio. (*See* Id. Col. 8 / line 54 – 62) Then, the software sums the weighted scores and provides a weighted total score for each of the prospective lessors. (*See* Id. Col. 8 / line 64 – 67) These weighted total scores are used to rank each of the prospective lessors' bids and displayed on the lessee's screen. (*See* Id. Col 10 / line 49 – 61) Thereafter, the lessee can accept the lease from the lessor having the greatest weighted total score or can choose to reject all bids and conduct the auction at a later date. (*See* Id. Col. 11 / line 51 – 55)

However, Fralic does not teach or suggest the ability to generate a plurality of lease configuration groups for every possible combination of prospective lessees participating in the lease auction. By generating the lease configuration group, several prospective lessees can be combined into one group and ultimately win the lease auction, whereas the ordinary auction method disclosed in Fralic is directed in choosing only one winning bidder. This feature greatly expands the bidding pool, and thus significantly improves the success rate of the lease auction, as it promotes participations of prospective lessees who do not wish to lease the property for the entire lease available period.

In addition, Fralic does not teach or suggest the ability to set different types of evaluation methods for different lease schedules. Furthermore, nowhere in Fralic mentions anything about computing the sum of the bid prices of the lessees belonging to each lease configuration groups for their applied rent periods. These features, in

turn, enable the intermediary server to automatically select the most profitable lease configuration group while confirming with other evaluation criterions set by the lessor. Not only do these features enable the intermediary server to automatically select the most profitable lease configuration group for the lessor, but these features also allow the participating lessees to win the auction as a group even when their individual bid price is not the highest bid price.

Lastly, Fralic does not teach or suggest the ability to analyze the databases to ascertain whether there is remaining lease period available for additional lease, and perform additional lease auction events so long as available lease period remains. According to the present disclosure, this feature ensures that the property is leased for the entire lease period, and thus provides the lessor with the most profitable lease schedule to its fullest extent possible.

This defect in Fralic is not cured by Nishamaki, which also does not teach or suggest the abilities (1) to generate a plurality of lease configuration groups, (2) to use different types of evaluation methods for different lease schedules, (3) to calculate the total value of the lease configuration group by adding the bid prices of each lessees in the group, and (4) to perform additional lease auction events while available lease period remains. Indeed, the purported invention in Nishamaki is not even about an auction, and therefore the auction scheme disclosed in Nishamaki merely carries out the auction process in a conventional way.

In sum, none of the cited references teach any of the aforementioned features. Neither Fralic nor Nishamaki provide any means for generating a lease configuration group and selecting the optimum lease configuration group that is the most profitable to the lessor. For at least this reason, the cited references do not teach or suggest all the features recited in the independent claim 1. Claims 3, 6, and 15 – 18 depend from the amended claims 1, and include all features thereof. For at least this reason, and in view of the further distinguishing features recited therein, claims 3, 6, and 15 – 18 are also patentable over the combination of Fralic and Nishimaki.

The Examiner's conclusory statement, unsupported by articulated reasoning or rational underpinning, cannot establish a prima facie case of obviousness. If the rejection of claim 1 is maintained, the applicant respectfully request that the Examiner clearly indicate the specific passage or passages in Fralic and Nishamaki disclosing the aforementioned features, and articulate a detailed explanation of the disclosed structure relied upon by the Examiner in accordance with 37 CFR 1.104 (c)(2).

**2. There is no Motivation to Modify or Combine the References.**

To make a prima facie case of obviousness, the Examiner must also establish a suggestion or motivation to combine the reference teachings. (MPEP §2142; 2143.01) "When the motivation to combine the teachings of the references is not immediately apparent, it is the duty of the examiner to explain why the combination of the teachings is proper." (*Id.* §2143.01 citing Ex parte Skinner, 2 USPQ2d 1788(BPAI 1986))

"There are three possible sources for a motivation to combine references: the nature of the problem to be solved, the teachings of the prior art, and the knowledge of persons of ordinary skill in the art." (*Id.* citing In re Rouffet, 149 F. 3d 1350, 1357 (Fed. Cir. 1998)) Nonetheless, "the level of skill in the art cannot be relied upon to provide the suggestion to combine references." (*Id.* citing Al-Site Corp. v. VSI INT'L, Inc., 174 F. 3d 1308 (Fed. Cir. 1999)) Indeed, even with technologically simple concepts, there must be a specific finding as to the principle or specific understanding within the knowledge of a skilled artisan that would have motivated the skilled artisan to make the claimed invention. (*Id.* citing In re Kotzap, 217 F. 3d 1365, 1371 (Fed. Cir. 2000)) For this reason, it is important that the motivation to combine references be established with objective evidence and specific factual findings with respect to the references. (*Id.* citing In re Lee, 277 F. 3d 1338, 1342 – 44 (Fed. Cir. 2002))

In the Office Action, the Examiner stated that "one of ordinary skill in the art would have been motivated to [combine the references] in order to ensure that the entire lease auction process operates as efficiently as possible." (Office Action p. 8) As to the claim 4, the Examiner stated that "one of ordinary skill in the art would have

been motivated to [combine the references] in order to ensure that depreciation costs are factored into the cost of the lease before the lessee signs a lease contract." (Office Action p. 10) These were the sole statements regarding motivation to combine for each of the claims.

Applicant respectfully asserts that the Examiner's single conclusory statement is insufficient to establish *prima facie* motivation to combine, and is the result of impermissible hindsight. The Examiner has made no specific factual findings with respect to the references in this regard; nor has the Examiner made specific factual findings with respect to the understanding a skilled artisan would have had at the time the application was filed. As noted above, such findings are required by the MPEP to support a *prima facie* case of obviousness.

Applicant cannot find any express or implied suggestions in Fralic or Nishamaki to combine these references. Neither has the Examiner pointed to any express or implied motivation to combine the references. Furthermore, the combination of the cited references is improper where the combination would fundamentally alter the principle of operation of one of the references. (*See* MPEP §2143.01 "The Proposed Modification Cannot Render the Prior Art Unsatisfactory for its Intended Purpose.") Applicant does not understand how teaching of Nishamaki is related with Fralic. For instance, teachings in Nishamaki is directed towards transaction of financial and quasi-financial instruments, and it is unclear as to what means taught Nishamaki could allow generating an optimum lease configuration group as described in the present application. For at least these reasons, Applicant asserts that there is no motivation to combine the cited references.

For at least foregoing reasons, the Examiner has failed to establish a *prima facie* case of obviousness. Generally, there is no explicit or implied motivation to combine Nishamaki and Fralic. The Examiner's conclusory statement to the contrary is insufficient as a matter of law. Furthermore, the cited references do not teach or disclose each features in the independent claim 1.

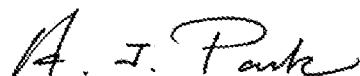
Applicant therefore respectfully requests that the rejection of the independent claim be reconsidered and withdrawn. Similarly, because dependent claims 3, 6, and 15 – 18 depend from allowable base claim, Applicant also requests that the rejection of these dependent claims be reconsidered and withdrawn.

**Conclusion**

All of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Therefore, Applicants respectfully requests that the Examiner reconsider all presently outstanding rejections and that they be withdrawn. Applicants believe that a full and complete reply has been made to the outstanding Office Action and, as such, the present application is in condition for allowance. If the Examiner believes, for any reason, that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at the number provided.

Prompt and favorable consideration of this Amendment and Reply is respectfully requested.

Respectfully submitted,



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